



Bk: 1215 Pg: 337 Doc: AGR  
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PERMITTED MORTGAGE AGREEMENT

This Agreement is made by and among:

The Town of Chilmark ("Lessor"),

Chip Leonardi and Michele I. Leonardi ("Lessee" or "Mortgagor"), and

~~Martha's Vineyard Savings Bank, ISAOA ("Mortgagee" or "Title Holder")~~

*FPF Wholesale, A Division of Sterns Lending, Inc ("Mortgagee")*

Whereas:

- a) Lessor and Lessee have entered, ~~or are entering~~, into a ground lease entitled Middle Line Road Community Housing Ground Lease For Homesite Housing, Town of Chilmark and dated June 4, 2010 ("the Ground Lease"), ~~conveying to Lessee a leasehold interest in the premises located at 4 Holly Grove, Chilmark, Massachusetts, as further described in the Ground Lease ("the Leased Premises"); and Lessee is constructing improvements to be located on the Leased Premises ("the Improvements").~~ *has*
- b) The Mortgagee has been asked to provide certain financing to the Lessee, and is being granted concurrently herewith a mortgage and security interest (the "Mortgage") in the Leased Premises and Improvements (the "Security"), all as more particularly set forth in the Mortgage recorded with the Dukes County Registry of Deeds. ~~in Book 1214, Page 901.~~
- c) The Ground Lease states that the Lessee may mortgage the Leased Premises only with the written consent of Lessor acting through the Chilmark Housing Committee with the approval of the Chilmark Board of Selectmen. The Ground Lease further provides that Lessor is required to give such consent only if the terms of the mortgage and related documentation include certain conditions that are stipulated in the Ground Lease ("the Stipulated Conditions").
- d) The Lessor would be unwilling to consent to the Mortgage unless the Lessee/Mortgagor and the Mortgagee agree to the inclusion of the Stipulated Conditions among the terms and conditions of the Mortgage.

Now, therefore, the Lessee/Mortgagor and the Mortgagee hereby agree that the terms and conditions of the Mortgage shall include all of the terms, conditions, and rights set forth in Article 8 of the Ground Lease and Exhibit F attached thereto, including but not limited to the

Stipulated Conditions stated below, and the Lessor hereby consents to the Mortgage with the Stipulated Conditions and confirms that the Mortgage with such conditions is a Permitted Mortgage and that the holder of the Mortgage is a Permitted Mortgagee and shall have all of the rights granted to a Permitted Mortgagee by the Ground Lease.

**Stipulated Conditions:**

1. In the event of a default in any of the mortgagor's obligations there under, the holder of such Mortgage shall notify Lessor of such fact and Lessor shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor's name and on mortgagor's behalf, provided that current payments due the holder during such 120-day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Mortgage or to commence to foreclose under the Mortgage on account of such default.
2. If after such cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify Lessor of its intention to do so and Lessor shall have the right, but not the obligation, upon notifying the holder within sixty (60) days of receipt of said notice from said holder, to pay off the indebtedness secured by such Mortgage and to acquire such Mortgage.
3. In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a bill of sale and deed to a Permitted Mortgagee in lieu of foreclosure, within ten (10) days of acquisition of title to the Security by the Permitted Mortgagee, its assignee or third party ("Title Holder") the Title Holder shall give the Lessor written notice of such acquisition ("Acquisition Notice") and the Lessor shall have an option to purchase the Security for the purchase price at the foreclosure sale, plus the Permitted Mortgagee's reasonable costs related to said sale, or, in the event of transfer in lieu of foreclosure, for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage, immediately prior to said transfer; provided, however, that the Lessor gives written notice to the Title Holder of the Lessor's intent to purchase the Security ("Town's Purchase Notice") within sixty (60) days following the Lessor's receipt of the Acquisition Notice (the "Notice Period"); further provided that the Lessor shall complete the purchase of the Security within sixty (60) days of having given the Town's Purchase Notice. The Lessor shall also have the right to assign the aforesaid option to purchase to an Income-qualified Person, Eligible Purchasor, non-profit corporation, charitable trust, Dukes County Regional Housing Authority, other government agency, or similar authority sharing the goals described in the Recitals of the Ground Lease, provided said person or entity is approved by the Chilmark

Housing Committee, by written notice to the Title Holder given within the aforesaid sixty (60) days Notice Period ("Town's Assignment Notice") provided that the assignee shall complete the purchase of the Security within sixty (60) days of the Lessor's having given the Town's Assignment Notice to the Title Holder. If the Lessor does not give such notices or the Lessor, or its assignee, fails to complete the purchase within such period, the Title Holder shall be free to sell the Improvements and transfer the Lessee's interest in the Leased Premises to another person.

4. The holder of such Mortgage shall not look to Lessor or Lessor's interest in the Leased Premises, but will look solely to Lessee, Lessee's interest in the Leased Premises, the Improvements, or such other buildings and improvements which may from time to time exist on the Leased Premises, for the payment of the debt secured thereby or any part thereof (It is the intention of the parties hereto that Lessor's consent to such Mortgage shall be without any liability on the part of Lessor for any deficiency judgment).
5. In the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage in accordance with the provisions of Article 9 of the Ground Lease.
6. Nothing herein shall obligate Lessor to execute an assignment of the Ground Lease Fee or other rent payable by Lessee under the terms of this Lease.
7. Notices given to the Lessor shall be given in the manner set forth in Section 14.1 of the Ground Lease. Notices given to the Permitted Mortgagee, its assignee or third party shall be given to the address that has been given by the Permitted Mortgagee, its assignee or third party to the Lessor by a written notice to the Lessor sent in the manner set forth in said Section 14.1 of the Ground Lease.

Dated June 16, 2010

**MORTGAGEE:**

~~Martha's Vineyard Savings Bank~~

FPF WHOLESATE, A Division of Stevens Leasing INC.

By: Patti L. Young  
Its: Vice President

**LESSEE / MORTGAGOR:**

Chip A. Leonardi  
Chip A. Leonardi

Michele I. Leonardi  
Michele I. Leonardi

**LESSOR:**

Town of Chilmark  
By its Board of Selectmen

\_\_\_\_\_  
Warren Doty, Chairman

\_\_\_\_\_  
Frank M. Fenner, Jr.

\_\_\_\_\_  
Jonathan E. Mayhew

Dated June \_\_, 2010

**MORTGAGEE:**

~~Martha's Vineyard Savings Bank~~ *FPF WHOLESALE, A DIVISION OF STERNS LEADING INC.*

By: \_\_\_\_\_

Its: \_\_\_\_\_

**LESSEE / MORTGAGOR:**

\_\_\_\_\_  
Chip Leonardi

\_\_\_\_\_  
Michele I. Leonardi

**LESSOR:**

Town of Chilmark  
By its Board of Selectmen

*June 21, 2010*

*Warren Doty*  
\_\_\_\_\_  
Warren Doty, Chairman

*Frank M. Fenner, Jr.*  
\_\_\_\_\_  
Frank M. Fenner, Jr.



\_\_\_\_\_  
Jonathan E. Mayhew

Consented to by  
The Chilmark Housing Committee

*June 21, 2010*

*William Randol*  
\_\_\_\_\_  
*Shirley Muldrew*  
\_\_\_\_\_  
*Robert Kluever*  
\_\_\_\_\_  
*Christine*  
\_\_\_\_\_

COMMONWEALTH OF MASSACHUSETTS

County of Dukes, ss.

On this \_\_\_\_ day of June, 2010, before me, the undersigned notary public, personally appeared Chip Leonardi and Michele I. Leonardi, proved to me through satisfactory evidence of identification, which were \_\_\_\_\_, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose.


\_\_\_\_\_  
[Notary Public/ print name:  
My commission expires:

**AFFIX  
NOTARIAL  
SEAL:**

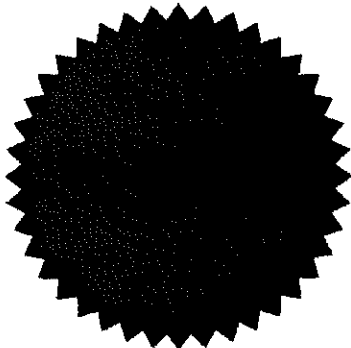
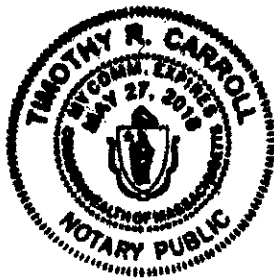
COMMONWEALTH OF MASSACHUSETTS

County of Dukes County, ss.

On this 21<sup>st</sup> day of June 2010, before me, the undersigned notary public, personally appeared Warren Doty, Frank M. Fenner, Jr., and ~~Jonathan E. Mayhew~~, proved to me through satisfactory evidence of identification, which were personal knowledge, to be the persons whose names are signed on the preceding or attached document, and acknowledged to me that they signed it voluntarily for its stated purpose on behalf of the Town of Chilmark

  
\_\_\_\_\_  
[Notary Public/ print name:  
My commission expires:

**AFFIX  
NOTARIAL  
SEAL:**



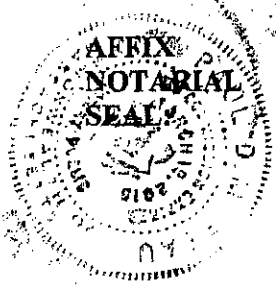
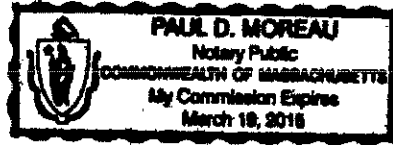
COMMONWEALTH OF MASSACHUSETTS

County of Dukes, ss.

On this 16<sup>th</sup> day of June, 2010, before me, the undersigned notary public, personally appeared Chip Leonardi and Michele I. Leonardi, proved to me through satisfactory evidence of identification, which were drivers license, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Paul D. Moreau

[Notary Public/ print name:  
My commission expires:



COMMONWEALTH OF MASSACHUSETTS

County of Dukes County, ss.

On this \_\_\_\_\_ day of June 2010, before me, the undersigned notary public, personally appeared Warren Doty, Frank M. Fenner, Jr., and Jonathan E. Mayhew, proved to me through satisfactory evidence of identification, which were personal knowledge, to be the persons whose names are signed on the preceding or attached document, and acknowledged to me that they signed it voluntarily for its stated purpose on behalf of the Town of Chilmark

\_\_\_\_\_  
[Notary Public/ print name:  
My commission expires:

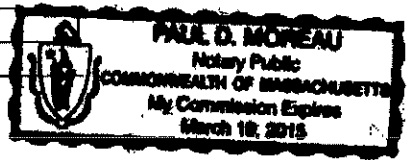
**AFFIX  
NOTARIAL  
SEAL:**

COMMONWEALTH OF MASSACHUSETTS

County of Dukes County, ss.

On this 17<sup>th</sup> day of June, 2010, before me, the undersigned notary public, personally appeared Patti L. Young, VP of Martha's Vineyard Savings Bank, proved to me through satisfactory evidence of identification, which were personally known to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose on behalf of the said Martha's Vineyard Savings Bank.

Paul D. Moreau  
[Notary Public/ print name: \_\_\_\_\_  
My commission expires: \_\_\_\_\_



Attest:  
Deanne E. Powers Register